

REMARKS

Claims 43-77 are currently pending in this application. In this response, claims 1-42 have been canceled and claims 43-77 have been added to replace them.

Claims 1-42 were rejected under 35 U.S.C. 103(a) as being unpatentable over Pallakoff. This rejection is traversed as asserted against the pending claims, claims 43-77 because Pallakoff does not disclose or suggest all of the claimed limitations.

Claims 43-58 and 73-77 recite “the value of the non-price attribute of the item increases as more buyers make offers in the on-line group-buying sale.” Claims 59-65 recite “the value of the incentive item increases as more buyers make offers in the on-line group-buying sale.” An increase in value associated with an increase in offers as claimed is beneficially suited to certain products and services such as rebates, certificates of deposit, and discount coupons. Whereas for most products the attractiveness of a sale is reflected in a lower price, for these kinds of goods, the attractiveness of a sale is reflected in a higher value, e.g. in a greater rebate, or a higher interest rate, or an increased discount coupon. Further, the value of the non-price item or the incentive item increases as more buyers submit offers. This further enhances the efficiency and attractiveness of the group buying sale, since more and more buyers are motivated to makes offers for the item.

Pallakoff does not suggest or disclose “the value of the non-price attribute of the item increases as more buyers make offers in the on-line group-buying sale”, or “the value of the incentive item increases as more buyers make offers in the on-line group-buying sale.” Applicants have reviewed those portions of Pallakoff cited by Examiner and can find no mention or hint of these limitations as claimed. Pallakoff only discloses sales in which there is only a price of an item that changes; there is no suggestion or hint of a non-price attribute or incentive item that is associated with the sale of the item for which the value increases. At best, Pallakoff only discloses “demand based pricing” (1:54-55, emphasis added) that is defined as “prices that

go down as the volume of units sold goes up.” (2:27-28). Thus, rather than increasing the value of a non-price attribute or an incentive item as claimed, Pallakoff only contemplates that the prices of items “go down” as the volume of units goes up. This is nearly the opposite of the “increase” in the value of a non-price attribute or incentive item with an increase in offers as claimed.

Examiner claims that a “rebate” is equivalent to the price reduction in the price paid by each buyer.” However, the example of a rebate as the “item” of claims 43-58 precisely show why “the value” of a non-price attribute of the item “increases as more buyers make offers in the on-line group-buying sale” as claimed is *not* suggested in light of Pallakoff. Using the claimed invention a rebate for a car can be sold on-line at increasing values as the number of offers for the rebate increases. By specifically selling a rebate for the car, and not the car itself, the claimed invention specifically avoids the problems associated with the on-line purchase of high-priced goods and services, namely that buyers often do not have enough credit to be able to pay the purchase price of the goods. As the volume of buyers of the rebate increases, so does the value of the rebate. Pallakoff’s price reduction mechanism, on the other hand, of decreasing price as volume goes up, cannot achieve this benefit. Although the price of cars may go down as the volume of offers to buy cars goes up, the problem of credit remains and may even render the on-line group sale impossible—how many \$45,000 cars are sold in online group buying sales? Pallakoff never suggests or discloses this problem or any other that would motivate it to contain the claimed limitations. The contention that “the motivation of carrying out an on-line group-buying sale” creates a specific motivation to alter Pallakoff to include the claimed limitations is unfounded. A general statement of an objective by itself does not provide the motivation to modify Pallakoff to contain the limitations as cited required for a prima facie case of obviousness.

Furthermore, Claims 43-58 disclose “a price curve defined by prices of the featured item with respect to quantities of the featured item, and a value curve defined by values of the incentive item with respect to quantities of the featured item”. Claims 59-72 disclose “a price curve defined by prices of the featured item with respect to quantities of the featured item, and a value curve defined by values of the incentive item with respect to quantities of the featured item”. Both sets of claims disclose two distinct types of curves, one of which is defined by a either a “non-price value” or the “value of a non-price attribute.”

Applicants have reviewed Pallakoff, including those portions cited by the Examiner, and it does not disclose or suggest either of these limitations. Examiner admits that Pallakoff does not disclose displaying a “value curve” for a featured item nor does it disclose defining a value curve that represents increasing value to the buyer. Office Action, pp. 3, 4. In fact, Pallakoff never discloses “curve,” based on a word search of the specification.

At best, Pallakoff discloses “demand thresholds” at which “the price will drop.” (3:49-55). This disclosure is deficient because it does not capture the concept of curve, much less two distinct curves as claimed. Assuming *arguendo* that Pallakoff did disclose or suggest a curve, and even disclosed or suggested two curves, the reference would still fall short. The only dimensions Pallakoff discloses are “demand thresholds” and “price.” But the cited claims specifically recite a curve defined either by “*non-price* value” or the “value of a *non-price* attribute,” (emphases added) neither of which is disclosed or suggested by Pallakoff. Nor can Pallakoff’s disclosures be transformed into two curves as claimed by “the motivation of carrying out an on-line group-buying sale”, as described by Examiner. This general objective is too general and broad to suggest something as specific as modifying Pallakoff to include the claimed limitations. For all of these reasons, the recited claims are patentably distinct over Pallakoff.

In addition, claims 59-72 recite “an incentive item” that “is provided to a potential buyer if the potential buyer buys the featured item.” Claims 48-50, 56-58, 63-65, and 70-72 recite “an


ignore curve.” Pallakoff neither suggests nor discloses either of these claimed limitations and therefore these claims are patentable over Pallakoff on this additional ground.

Accordingly, Applicants submit that the cited claims, as amended, are patentably distinct over Pallakoff. Withdrawal of this ground of rejection of the claims is respectfully requested.

It is believed that the application is in condition for allowance of all claims, and therefore a Notice of Allowance is respectfully requested. If the Examiner believes that for any reason direct contact with Applicant’s representative would help advance the prosecution of this case to allowance, the Examiner is encouraged to telephone the undersigned at the number given below.

Respectfully submitted,
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Dated: January 23, 2004

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